

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:3705
ANSWERED ON:18.12.2006
PRICES OF CHEMICAL FERTILIZERS
Adsul Shri Anandrao Vithoba

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

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- (a) whether the prices of the chemicals fertilizers in the international market is less than those produced in the country;
- (b) if so, whether the Government has conducted world-wide survey in this regard ;
- (c) if so, the details & findings thereof;
- (d) the average prices of all the chemical fertilizers in the international market as well as in the domestic market during 2005-06;
- (e) the steps taken by the Government to bridge this gap to meet the farmers, requirement in WTO regime?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B. K. HANDIQUE)

(a) to (c) The prices of fertilizers in the international market varies from time to time based on the demand & supply position. The urea produced through indigenous gas in the country is cheaper in comparison of the present international prices. However, the cost of production of urea from naphtha based unit is more than the prices of urea in the international market.

The country is almost fully dependent on imported raw materials/intermediates for production of phosphatic fertilizers. The costs of production of phosphatic fertilizers, in the country, depend upon the prices of raw materials/ intermediates like ammonia, rock phosphate, sulphur and phosphoric acid in the international market.

The country is fully dependent on imports to meet its requirement of potash as there are no exploitable reserves of potash in the country.

The international prices of chemical fertilizers depend upon demand supply situation and weekly prices are widely reported in various market bulletins world over.

(d) & (e) The average delivered prices of Urea, DAP (both imported & indigenous) & MOP prevailed in the year 2005-06 was as under:-

(Rupees per MT)
Product Imported Indigenous
Urea 13178
Urea (imported 8388
from Sur, Oman 9874
under Long
Term Agreement)

DAP 15075 15316
MOP - 11049

Government is encouraging domestic manufacturers of fertilizers to explore possibilities of setting up joint venture project in the resource rich countries to ensure adequate supplies of raw materials/ finished fertilizers at reasonable long term fixed price.